Kentucky State Income Tax Information

State Abbreviation:	KY
State Tax Withholding State Code:	21
Acceptable Exemption Form:	K–4
Basis For Withholding:	State Exemptions
Acceptable Exemption Data:	0 / Number of Exemptions
TSP Deferred:	Yes
Special Coding:	Determine the Total Number Of Allowances field as follows:
	First Position – Enter 0 (zero).
	Second and Third Positions – Enter the number of exemptions claimed.
Additional Information:	None

Withholding Formula ▶(Effective Pay Period 9, 2007)◀

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.

2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes ▶dental and vision insurance program, and◀ flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.

3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.

4. Multiply the adjusted gross biweekly wages by 27 to obtain the annual wages.

5. Subtract the standard deduction of ▶$2,050◀ from the result of step 4 to compute the taxable income.

6. Apply the taxable income computed in step 5 to the following table to determine the annual Kentucky tax withholding.

Tax Withholding Table

If the Amount of Taxable Income Is:		The Amount of Kentucky Tax Withholding Should Be:				Of Excess Over:
Over:	**But Not Over:**					
$ 0	$ 3,000	$ 0	plus	2%	$	0
3,000	4,000	60	plus	3%		3,000
4,000	5,000	90	plus	4%		4,000
5,000	8,000	130	plus	5%		5,000
8,000	$75,000	280	plus	5.8%		8,000
75,000	and over	4,166	plus	6%		75,000

7. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 6 to compute the annual Kentucky tax withholding.

    Exemption Allowance = $20 x Number of Exemptions

8. Divide the annual Kentucky tax withholding by 27 to obtain the biweekly Kentucky tax withholding.